

**ENERGY CHARTER  
SECRETARIAT**

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CCDEC 2021

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Brussels, 14 December 2021

Related documents: CC 720 Rev 2
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**DECISION OF THE ENERGY CHARTER CONFERENCE**

**Subject: Budget 2022-2023**

The Energy Charter Conference at its 32<sup>nd</sup> Statutory Meeting held on 14 December 2021 **approved** the attached Budget for 2022-2023.

## **BUDGET 2022-2023**

1. This budget for the biennium 2022-2023 has been prepared taking into account the following elements:
  - the budget is established according to the new draft structure of the budget as approved by the Budget Committee in its meeting on 5 November 2021 (BC 360 rev 5);
  - the budget takes into account the conversion of the Secretariat's accounts to IPSAS standards, in particular the inclusion of:
    - Provisions for employee benefits;
    - Provisions for post-employment benefits;
    - Capitalisation and amortisation/depreciation of leases and assets.
  - the major items “1 Salaries and Allowances” and “2 Benefits and Grants” are based on estimated human resources as proposed in document GOV 17 rev 5 “On the structure of the Secretariat (draft structure as requested by delegates)” and include 27 positions in 2022-2023 (10 A-grades, 6 B-grades and 11 C-Grades) vs. 26 positions in 2021 (8 A-grades, 6 B-grades and 12 C-Grades);
  - the total contributions is based on a zero-nominal growth, i.e. a total amount of EUR 3 907 460 excluding the contribution of the Russian Federation;
  - the budget includes a draw from the General Reserve Fund of 10% of its value, i.e. EUR 212 340 (see BC 399 rev), to allow for flexibility in the implementation of Budget Part I, as authorised by the Energy Charter Conference during its meeting on 10 December 2019;
  - the budget includes a voluntary contribution of USD 25 000 from the Islamic Development Bank for the development of 5 EIRA regular country profiles;
  - voluntary contributions in kind are not included in the budget since they have no financial implications;
  - the budget includes an estimate of miscellaneous income (EUR 1 000).
2. During its meeting on 19 October 2021, the Strategy Group clarified the status of the Russian Federation considering it was not a Signatory of the Energy Charter Treaty anymore, thus, should no be included in the list of national contributions. All references in the budget 2021 regarding the contribution of the Russian Federation and its impairment in the accounts have been removed to be able to compare the budget 2022-2023 with the budget 2021.
3. During its meeting on 5 November 2021, the Budget Committee confirmed the temporary inclusion of Australia in the list of contributions pending the official notification from the Depository of the withdrawal of Australia.

## DRAFT BUDGET 2022-2023 SUMMARY

The available resources to finance the budget of the Secretariat consist of:

### A. Income of the year

- National contributions and other resources for general use<sup>1</sup> : EUR 3 907 460 ;
- voluntary contributions: USD 25 000 (estimated at EUR 21 660);
- subsidies, gifts, legacies or miscellaneous income: EUR 1 000.

### B. Use of reserves

- General Reserve Fund: draw of 10% of its value, i.e. EUR 212 340, to allow for flexibility in the implementation of Budget Part I, as authorised by the Energy Charter Conference during its meeting on 10 December 2019;
- Working Capital Funds (unused voluntary contributions or miscellaneous income of the previous years): EUR 34 564 (EUR 11 984 for the Knowledge Centre and EUR 22 580 for Legal Affairs).

**Table 1 Sources of financing**

	<i>All figures in Euros</i>		
<b>Available budget</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Budget Part I</b>			
<i>National Contributions and Other Resources for general use</i>	3 907 460	3 907 460	3 907 460
<i>General Reserve Fund – Draw 10%</i>	139 596 <sup>2</sup>	212 340	212 340
<b>Subtotal Budget Part I</b>	<b>4 047 056</b>	<b>4 119 800</b>	<b>4 119 800</b>
<b>Budget Part II</b>			
<i>Voluntary Contributions – Islamic Develop. Bank</i>	-	21 660	-
<i>VC Poland (2016) – Beijing Research Centre<sup>3</sup></i>	4 516	-	-
<i>VC Nigeria (2019) – Nigeria related activities<sup>3</sup></i>	30 732	-	-
<i>Working Capital Fund – Knowledge Centre</i>	11 984	11 984	-
<i>Working Capital Fund – Legal Affairs</i>	19 725	22 580	-
<i>Other Resources - Financial Income</i>		1 000	1 000
<b>Subtotal Budget Part II</b>	<b>66 957</b>	<b>57 224</b>	<b>1 000</b>
<b>Total available budget</b>	<b>4 114 013</b>	<b>4 177 024</b>	<b>4 120 800</b>

<sup>1</sup> Other resources for general use can be voluntary contributions from (a group of) Signatories or Contracting Parties, a draw from the General Reserve Fund other than the authorised draw of 10% of its value from the General Reserve Fund, or, in general, any contribution, donation, subsidy, gift, legacy or miscellaneous income provided that such resources are available for general use.

<sup>2</sup> The Secretariat has reclassified the draw from the General Reserve Fund of 10% of its value from Budget Part II to Budget Part I in 2021 for comparison purpose.

<sup>3</sup> If the voluntary contributions from Poland (2016) and Nigeria (2019) are not fully used in 2021, the remaining amounts will be included in Budget Part II in 2022.

**Table 2 Planned use of resources in 2022***All figures in Euros*

<b>Planned use of resources</b>	<b>BP I</b>	<b>BP II</b>	<b>2022</b>
<i>1 Salaries and Allowances</i>	<i>2 434 500</i>		<i>2 434 500</i>
<i>2 Benefits and Grants</i>	<i>803 500</i>		<i>803 500</i>
<i>3 Removals, Travel and Missions</i>	<i>103 000</i>		<i>103 000</i>
<i>4 Meetings and Events</i>	<i>160 000</i>		<i>160 000</i>
<i>5 Representation</i>	<i>2 000</i>		<i>2 000</i>
<i>6 Operating Expenditure</i>	<i>501 000</i>	<i>22 660</i>	<i>523 660</i>
<i>7 Capital Expenditure</i>	<i>115 340</i>		<i>115 340</i>
<i>8 Miscellaneous</i>	<i>460</i>		<i>460</i>
<i>Working Capital Funds (at hand)</i>		<i>34 564</i>	<i>34 564</i>
<b>Total planned use of resources</b>	<b>4 119 800</b>	<b>57 224</b>	<b>4 177 024</b>

The Secretariat anticipates that the Working Capital Funds will be fully used in 2022, thus will not be available in 2023. The Secretariat also anticipates that the General Reserve Fund will remain at the same level at the end of 2021.

**Table 3 Planned use of resources in 2023***All figures in Euros*

<b>Planned use of resources</b>	<b>BP I</b>	<b>BP II</b>	<b>2023</b>
<i>1 Salaries and Allowances</i>	<i>2 434 500</i>		<i>2 434 500</i>
<i>2 Benefits and Grants</i>	<i>803 500</i>		<i>803 500</i>
<i>3 Removals, Travel and Missions</i>	<i>103 000</i>		<i>103 000</i>
<i>4 Meetings and Events</i>	<i>160 000</i>		<i>160 000</i>
<i>5 Representation</i>	<i>2 000</i>		<i>2 000</i>
<i>6 Operating Expenditure</i>	<i>501 000</i>	<i>1 000</i>	<i>502 000</i>
<i>7 Capital Expenditure</i>	<i>115 340</i>		<i>115 340</i>
<i>8 Miscellaneous</i>	<i>460</i>		<i>460</i>
<b>Total planned use of resources</b>	<b>4 119 800</b>	<b>1 000</b>	<b>4 120 800</b>

**DRAFT BUDGET 2022-2023**  
**BUDGET PART I**

**Table 4 Draft Budget Part I for 2022-2023**

<i>All figures in Euros</i>		
<b>Budget Items<sup>4</sup></b>	<b>2022</b>	<b>2023</b>
<i>1 Salaries and Allowances</i>	2 434 500	2 434 500
<i>2 Benefits and Grants</i>	803 500	803 500
<i>3 Removals, Travel and Missions</i>	103 000	103 000
<i>4 Meetings and Events</i>	160 000	160 000
<i>5 Representation</i>	2 000	2 000
<i>6 Operating Expenditure</i>	501 000	501 000
<i>7 Capital Expenditure</i>	115 340	115 340
<i>8 Miscellaneous</i>	460	460
<b>Total Budget Part I</b>	<b>4 119 800</b>	<b>4 119 800</b>

Detailed information on each major budget item is given in Annex 2.

**Table 5 Approved Budget Part I for 2021<sup>5</sup>**

<i>All figures in Euros</i>	
<b>Budget Items<sup>6</sup></b>	<b>2021</b>
<i>1 Salaries &amp; Allowances</i>	2 942 000
<i>2 Official Travel</i>	80 000
<i>3 Professional &amp; Special Services</i>	280 000
<i>4 Meetings</i>	110 000
<i>5 Representation</i>	30 000
<i>6 Operating Expenditure</i>	358 000
<i>7 General Administration</i>	40 000
<i>8 Capital Expenditure</i>	7 000
<i>9 IT Equipment &amp; Software</i>	50 000
<i>10 Information</i>	10 000
<i>11 Miscellaneous &amp; Contingency</i>	460
<i>Reclassification - draw from the GRF from BP II to BP I (for comparison purpose)</i>	139 596
<b>Total Budget Part I</b>	<b>4 047 056</b>

<sup>4</sup> Budget items shown are based on the draft new structure of the budget (see BC 360 rev5).

<sup>5</sup> In 2021, the draw from the General Reserve Fund of 10% of its value to allow for a full implementation of Budget Part I was classified in Budget Part II.

<sup>6</sup> See Conference Decision [CCDEC202014 – Adoption of the Budget for 2021](#)

**Table 6 Grading<sup>7</sup>**

<b>Grading</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
A-Grades	8	10	10
B-Grades	6	6	6
C-Grades	12	11	11
<b>Total Positions</b>	<b>26</b>	<b>27</b>	<b>27</b>

**Table 7 Posting<sup>7</sup>**

<b>Posting<sup>8</sup></b>	<b>Type</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Secretary General's Office</b>		<b>3</b>	<b>2</b>	<b>2</b>
A6+/A7+ Secretary General	Est.	1	1	1
B4/B5 Secretary	Est.	1	1	1
C4/C5 SG Office Coordinator	Temp	1	0	0
<b>Deputy Secretary General's Office</b>		<b>2</b>	<b>2</b>	<b>2</b>
A5/A6 Deputy Secretary General	Est.	1	1	1
C5/C6 Secretary	Est.	1	1	1
<b>Legal Affairs Office</b>		<b>4</b>	<b>4</b>	<b>4</b>
A3/A4 General Counsel	Est.	1	1	1
B4/B5 Legal Official	Est.	1	1	1
C4/C5 Junior Legal Officials	Temp	2	2	2
<b>Administration and External Activities Unit</b>		<b>8</b>	<b>9</b>	<b>9</b>
A3/A4 Head of Unit	Est.	0	1	1
A2/A3 Expansion Official	Est.	1	1	1
B5/B6 Administrative Official	Est.	1	1	1
B4/B5 Administrative Officials	Est.	2	2	2
B4/B5 Expansion & Outreach Official	Est.	1	1	1
C5/C6 Knowledge Centre Principal Coordinator	Temp	1	1	1
C4/C5 Expansion & Outreach Official.	Temp	1	1	1
C4/C5 Knowledge Centre Official	Temp	1	1	1
<b>Implementation Unit</b>		<b>9</b>	<b>10</b>	<b>10</b>
A3/A4 Head of Unit	Est.	0	1	1
A3/A4 Senior Investment Official	Est.	1	1	1
A2/A3 Investment Official	Est.	1	1	1
C4/C5 Investment Official	Temp	1	1	1
C4/C5 Investment Officials	Temp	2	2	2
A2/A3 Transit & Energy Security Official	Est.	1	1	1
C4/C5 Transit & Energy Security Official	Temp	1	1	1
A2/A3 Energy Efficiency, Climate & Renewable Energy Official	Est.	1	1	1
C4/C5 Energy Efficiency, Climate & Renewable Energy Official	Temp	1	1	1
<b>Total Positions including</b>		<b>26</b>	<b>27</b>	<b>27</b>
- Establishment table Officials (Est.)		15	17	17
- Temporary Officials (Temp)		11	10	10

<sup>7</sup> See document "GOV 17 rev 5 – On the structure of the Secretariat"

<sup>8</sup> Current grading indicated in **bold** except when post is vacant or does not yet exist. When a grade is suffixed with +, the basic salary is increased by 5%.

**Annex 1 - Monthly basic salary scale as from 1 January 2021**

EUR	STEPS											
	1	2	3	4	5	6	7	8	9	10	11	
<b>GRADFS</b>	C1	2 826.22	2 910.97	2 995.72	3 080.47	3 165.22	3 249.97	3 334.72	3 419.47	3 504.22	3 588.97	3 673.72
	C2	2 985.83	3 075.41	3 164.99	3 254.57	3 344.15	3 433.73	3 523.31	3 612.89	3 702.47	3 792.05	3 881.63
	C3	3 121.81	3 215.44	3 309.07	3 402.70	3 496.33	3 589.96	3 683.59	3 777.22	3 870.85	3 964.48	4 058.11
	C4	3 316.48	3 415.92	3 515.36	3 614.80	3 714.24	3 813.68	3 913.12	4 012.56	4 112.00	4 211.44	4 310.88
	C5	3 539.80	3 646.00	3 752.20	3 858.40	3 964.60	4 070.80	4 177.00	4 283.20	4 389.40	4 495.60	4 601.80
	C6	3 874.07	3 990.30	4 106.53	4 222.76	4 338.99	4 455.22	4 571.45	4 687.68	4 803.91	4 920.14	5 036.37
	B1	2 946.11	3 043.32	3 140.53	3 237.74	3 334.95	3 432.16	3 529.37	3 626.58	3 723.79	3 821.00	3 918.21
	B2	3 203.76	3 309.51	3 415.26	3 521.01	3 626.76	3 732.51	3 838.26	3 944.01	4 049.76	4 155.51	4 261.26
	B3	3 558.06	3 675.46	3 792.86	3 910.26	4 027.66	4 145.06	4 262.46	4 379.86	4 497.26	4 614.66	4 732.06
	B4	4 006.16	4 138.38	4 270.60	4 402.82	4 535.04	4 667.26	4 799.48	4 931.70	5 063.92	5 196.14	5 328.36
	B5	4 534.00	4 683.63	4 833.26	4 982.89	5 132.52	5 282.15	5 431.78	5 581.41	5 731.04	5 880.67	6 030.30
	B6	5 180.73	5 351.70	5 522.67	5 693.64	5 864.61	6 035.58	6 206.55	6 377.52	6 548.49	6 719.46	6 890.43
	A1	4 429.55	4 562.82	4 696.09	4 829.36	4 962.63	5 095.90	5 229.17	5 362.44	5 495.71	5 629.00	5 762.27
	A2	5 660.66	5 812.59	5 964.52	6 116.45	6 268.38	6 420.31	6 572.24	6 724.17	6 876.10	7 028.03	7 179.96
	A3	6 984.45	7 181.10	7 377.75	7 574.40	7 771.05	7 967.70	8 164.35	8 361.00	8 557.65	8 754.30	8 950.95
	A4	8 116.45	8 327.72	8 538.99	8 750.26	8 961.53	9 172.80	9 384.07	9 595.34	9 806.61	10 017.88	10 229.15
	A5	9 399.81	9 662.89	9 925.97	10 189.05	10 452.13	10 715.21	10 978.29	11 241.37	11 504.45	11 767.53	12 030.61
	A6	11 109.07	11 416.40	11 723.73	12 031.06	12 338.39	12 645.72	12 953.05	13 260.38	13 567.71	13 875.04	14 182.37
	A7	12 160.15	12 567.43	12 974.71	13 381.99	13 789.27	14 196.55	14 603.83	15 011.11	15 418.39	15 825.67	16 232.95

Other elements of remuneration	
Dependant Allowance	304.91
Household Allowance	6%
Expat. All. w/o household	14%
Expat. All. w. household	18%

\* The advancement from one step to the next one is as follows :

Grades A6 to A7 : each year from step 1 to 5, two years for the higher steps

Grades A1 to A5 : each year from step 1 to 7, two years for the higher steps

Grades B and C : each year from step 1 to 8, two years for the higher steps

+ When a grade is suffixed with a +, the basic salary is increased by 5% (only applicable to the Secretary General)

## Annex 2 - Explanatory Notes

In these explanatory notes, all budget items and sub-items have been included to allow for a better understanding of what is contained in each item<sup>9</sup>. Nevertheless, the budget is not necessarily given at all levels, but only at level of significance. The reporting on expenditure will be done at full level.

Given the substantial increase in the costs related to Officials (DSG at A6 level, 2 new A-grade heads of unit and only one suppression of a C-grade post), most of other budget items have to be reduced to accommodate for this increase. In particular, the Secretariat plans to implement the following:

- No interns and fellows<sup>10</sup>:  
interns receive a monthly allowance of EUR 800 and fellows receive a monthly allowance of EUR 2 000 and the reimbursement of their travel expenses from their place of origin to Brussels and back, if applicable, using the most economical route. In addition, if the fellow's final report is deemed by the Secretariat to be of good publishable quality an additional lump sum of EUR 1 500 may be granted;
- Only 2 secondments of a duration of 6 months:  
secondees receive a monthly allowance of EUR 2 500 and the reimbursement of their travel expenses from their place of origin to Brussels and back using the most economical route;
- No drinks nor meals served during meetings of the Subsidiary Groups (if/when physical meetings are organised);
- Invited experts<sup>11</sup> will be limited to one per eligible country and per set of meetings (=week): up to 2021, the rules offered the possibility to reimburse 1 invited expert per eligible country per meeting. Thus, for 3 consecutive meetings (for example Strategy Group, Implementation Group, Budget Committee), the Secretariat could reimburse travel expenses to up to 3 delegates of the same country. To limit the costs, the Secretariat had already decided to limit reimbursements to 2 invited experts per eligible country and per set of meetings. For 2022, the Secretariat proposes to reduce further this limitation to 1 invited expert per eligible country per set of meetings;
- Representation and Mission expenses will be strongly limited;
- All possible savings wherever possible.

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<sup>9</sup> For more information on the content of the budget items, see document BC 360 rev 5 –Review of the Structure of the Budget.

<sup>10</sup> Up to 2021, Interns and Fellows were considered as “Consultants” from a budget point of view. Starting 2022, all interns, fellows and secondees will be booked under “2 Benefits and Grants”. Interns, fellows and secondees do not receive a salary and are not considered as employees nor officials.

<sup>11</sup> Invited experts are delegates from member countries who receive financial assistance from the Secretariat for their participation in the meetings of the Conference and its subsidiary bodies in line with Instruction 29 of the Financial Rules and their Implementing Instructions and Message 1766/21.



**1 Salaries and Allowances<sup>12</sup> and  
2 Benefits and Grants**

*All figures in Euros*

<b>1 Salaries and Allowances</b>	<b>2022</b>	<b>2023</b>
<b>1.1 Salaries</b>	<b>1 945 000</b>	<b>1 945 000</b>
1.1.1 Established Officials	1 485 000	1 485 000
1.1.2 Temporary Officials	460 000	460 000
<b>1.2 Allowances</b>	<b>489 500</b>	<b>489 500</b>
1.2.1 Established Officials	409 500	409 500
1.2.2 Temporary Officials	50 000	50 000
1.2.3 Secondments <sup>13</sup>	30 000	30 000
1.2.4 Internships	0	0
1.2.5 Fellowships	0	0
<b>1.3 Promotions and Cash Awards<sup>14</sup></b>	<b>0</b>	<b>0</b>
<b>Subtotal Salaries and Allowances</b>	<b>2 434 500</b>	<b>2 434 500</b>
<b>2 Benefits and Grants</b>	<b>2022</b>	<b>2023</b>
2.1 Insurances	205 500	205 500
2.2 Terminal Allowances	568 000	568 000
2.3 Promotions <sup>14</sup>	0	0
2.4 Other	30 000	30 000
<b>Subtotal Benefits and Grants</b>	<b>803 500</b>	<b>803 500</b>
<b>Total</b>	<b>3 238 000</b>	<b>3 238 000</b>

Following the switch of the Secretariat's accounts to IPSAS standards, the Secretariat shall take into account all rights acquired by Officials which have not been used or paid at the end of the financial year. For example, if an official does not take all his/her annual leave entitlement before the end of the year, the Secretariat shall make a provision corresponding to the amount that would be paid to the Official in case of payment. This provision is released the following year since remaining annual leave of the previous year has to be taken before 31 July (Staff Rule 22.3). The Secretariat considers that the impact of such provision on the budget is minimal, except the very first year when a first provision had to be constituted (1 January 2018, date of the conversion of the accounts to IPSAS as shown in BC 399 rev). Indeed, each year the provision made for the previous year is reversed and a new one for the current year is made of a more or less equivalent amount, as long as the number and level of posts do not fluctuate too much.

<sup>12</sup> Figures are based on the assumption that the positions in 2022 will be split between the Establishment Table and the Temporary Officials positions as in 2021 (see paragraph Grading and Posting above).

<sup>13</sup> This item contains the budget for 12 months at EUR 2 500. Travel costs have been transferred to budget item "3.3 Other Travel".

<sup>14</sup> See BC 360 rev 5 on the creation of new budget items related to promotions and cash awards.

The comparison of the budget items “1 Salaries and Allowances” and “2 Benefits and Grants” for 2022 and 2023 with the budget approved for 2021 is not as straightforward. The figures were included in different budget items and have to be compared with the following items of the budget 2021:

Table 8 Comparison with budget 2021

<i>All figures in Euros</i>	
<b>Budget items (based on the current structure)</b>	<b>2021</b>
1.1 Establishment Table	2 262 000
1.2 Temporary Officials	680 000
Correction for removals and travel costs (3.1 Removals and 3.3 Other Travel in new structure)	-66 000
3.1 Secondments/Young Professionals	80 000
3.2 Consultants/Research Fellows (part dedicated to interns and fellows)	30 000
<b>Subtotal</b>	<b>2 986 000</b>

Table 9 Reconciliation with figures included in GOV 17 rev 5

<i>All figures in Euros</i>	
<b>Budget items</b>	<b>2022/2023</b>
1.1 Salaries	1 945 000
1.2.1 Allowances Established Officials	409 500
1.2.2 Allowances Temporary Officials	50 000
2 Benefits and Grants	803 500
3.1 Removals	35 000
3.3 Other Travel <sup>15</sup>	30 000
<b>Subtotal</b>	<b>3 273 000</b>

This budget item shows an increase bigger than the annual increase and regular advancement (+8.5%). This increase result in the decision of the delegations to:

- Upgrade the post of Deputy Secretary General from A5 to A6;
- Create two new positions of head of unit at A-grade level;
- Suppress one position of Temporary Official at C-grade level.

Given the increase in those budget items and the total budget increasing marginally from EUR 4 047 056 in 2021 to EUR 4 119 800 in 2022, all other items have been affected negatively. Adding the costs related to the premises, the total share of budget used would be 86.2%. The total amount to finance activities, including operating expenditure, would then be limited to 13.8% of Budget Part I, i.e. EUR 566 800. Taking into account unavoidable operating expenditure like the cloud services (estimated at EUR 60 000), the video-conferencing system (EUR 24 000), the depreciation of assets (EUR 50 955 in 2022 and EUR 48 932 in 2023<sup>16</sup>) or other “obligatory” expenditure, the room for financing activities will be very limited and the

<sup>15</sup> Excluding travel costs related to Secondments.

<sup>16</sup> Amounts reflect purchase of assets at 30 September 2021. Would the Secretariat purchase new assets, these amounts would increase.

Secretariat proposes to limit the financing of some activities. These restrictions are indicated in each budget item when applicable.

Reduction of costs in “1 Salaries and Allowances” and “2 Benefits and Grants” can be achieved by:

- Reducing the number of posts;
- Keeping posts vacant between 2 employments contracts;
- Offering contracts at lower grade when recruiting new officials;
- Reviewing the Staff Regulations and Rules.

### **3 Removals, Travel and Missions**

*All figures in Euros*

<b>3 Removals, Travel and Missions</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<i>3.1 Removals</i>	36 000	35 000	35 000
<i>3.2 Missions</i>	80 000	35 000	35 000
<i>3.2.1 Travel Expenses</i>			
<i>3.2.2 Allowances</i>			
<i>3.3 Other travel<sup>17</sup></i>	30 000	33 000	33 000
<i>3.3.1 Travel Expenses</i>			
<i>3.3.2 Allowances</i>			
<b>Subtotal Removals, Travel and Missions</b>	<b>146 000</b>	<b>103 000</b>	<b>103 000</b>

Following the switch of the Secretariat’s accounts to IPSAS standards, the Secretariat shall take into account all rights vested to Officials which have not been used at the end of the financial year. For example, when an official is recruited, the Secretariat knows that this official will be entitled to the reimbursement of travel expenses and removal at the end of his/her employment contract. Thus, the Secretariat shall make a provision corresponding to the amount estimated for the removal and travel expenses. The Secretariat considers that the impact of such provision on the budget is minimal, except the very first year when a first provision had to be constituted (2017). Indeed, each year a new provision has to be made for arriving officials, but at the same time the provision made for departing officials can be reversed and used for the payment of the costs of departing officials.

To accommodate for the big increase in the budgets “1 Salaries and Allowances”, “2 Benefits and Grants” and “7 Capital Expenditure”, the budget item “3.2 Missions” has been sharply reduced. Thus, the participation of Secretariat Officials in conference or events outside Brussels will be limited. This budget will be used to finance travel expenses of Officials to participate in events organised by the Secretariat outside Brussels:

- Energy Charter Conference;
- Energy Charter Forum;
- Participation in the meetings of Subsidiary and Consultative bodies outside Brussels (Industry Advisory Panel, Regional Energy Cooperation in Asia (RECA) meeting);

<sup>17</sup> Includes Officials’ travel expenses to take up duties, at the end of employment and for home leave (see Staff Rule 18.2(a)) as well as travel expenses related to Secondments.

- Missions related to the production of Energy Efficiency, Investment or other reports; and
- If budget allows, participation in events and conferences of major importance for the Secretariat. Officials will continue to systematically check the possibility of coverage of (part of) the travel expenses by the organisers.

Budget items “3.1 Removals” and “3.3 Other travel” remains at the same level since the costs included in these items directly result from the application of the Staff Regulations and Rules to Officials and cannot be avoided.

Reduction of costs in budget item “3 Removal, Travel and Missions” can only be achieved by reviewing the Staff Regulations and Rules. This budget item will be affected marginally by reduction of posts or prolonged vacancies.

#### **4 Meetings and Events**

*All figures in Euros*

<b>4 Meetings and Events</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>4.1 Energy Charter Conference<sup>18</sup></b>	<b>30 000</b>	<b>17 500</b>	<b>17 500</b>
4.1.1 Premises		<i>in kind</i>	<i>in kind</i>
4.1.2 Catering		<i>in kind</i>	<i>in kind</i>
4.1.3 Speakers, Chairs and Vice Chairs		2 500	2 500
4.1.3.1 Travel expenses			
4.1.3.2 Allowances			
4.1.4 Invited Experts		12 000	12 000
4.1.4.1 Travel Expenses			
4.1.4.2 Allowances			
4.1.5 Other		3 000	3 000
<b>4.2 Subsidiary Bodies Meetings<sup>19</sup></b>	<b>65 000</b>	<b>57 500</b>	<b>57 500</b>
4.2.1 Premises	10 000	15 000	15 000
4.2.2 Catering	25 000	0	0
4.2.3 Speakers, Chairs and Vice	7 500	7 500	7 500
4.2.3.1 Travel expenses			
4.2.3.2 Allowances			
4.2.4 Invited Experts	22 500	30 000	30 000
4.2.4.1 Travel Expenses			
4.2.4.2 Allowances			
4.2.5 Other		5 000	5 000
<b>4.3 Translations and Interpretations</b>	<b>70 000</b>	<b>70 000</b>	<b>70 000</b>

<sup>18</sup> It is envisaged to hold two meetings of the Conference in 2022. The Secretariat envisages that the extra meeting will be hosted by a Contracting Party in order to reduce the costs while the regular meeting will be hosted by the Chairmanship.

<sup>19</sup> The exact number and schedule of meetings is not yet known.

<b>4 Meetings and Events</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>4.4 Other Meetings and Events</b>	<b>15 000</b>	<b>15 000</b>	<b>15 000</b>
4.4.1 Premises			
4.4.2 Catering			
4.4.3 Speakers, Chairs and Vice			
4.4.3.1 Travel expenses			
4.4.3.2 Allowances			
4.4.4 Other			
<b>Subtotal Meetings and Events</b>	<b>180 000</b>	<b>160 000</b>	<b>160 00</b>

If sanitary conditions allow, the Secretariat plans to organise one physical meeting of the Conference per year. The Secretariat trusts that all costs related to premises and catering will be borne by the Chairmanship. Costs related to Speakers/(vice-)Chairs will be limited to 2 speakers maximum and Invited Experts<sup>20</sup> will be covered by the budget with the following limitations:

- Only one representative per eligible country;<sup>21</sup>
- No representative from Observer countries.

Despite the Covid-19 pandemic, the Secretariat envisages to organise a restricted number of physical meetings (maximum 15 days) of the subsidiary bodies of the Conference<sup>22</sup> (pending specific discussion on the number of physical meetings for the modernisation negotiation rounds), other meetings will be organised by video-conference. To limit the costs of the physical meetings, the Secretariat will not provide catering for these meetings and financial assistance to Invited Experts will strictly be limited to 1 expert per eligible country per week (set of meetings). In 2021, there are already 32 days of meetings in the agenda and more days will be added.

The Secretariat will continue organising at least one Energy Charter Forum in cooperation with the current Chairmanship and will try to organise a meeting of the Task Force on Regional Energy Cooperation in Asia (RECA) and an event for the launch of the EIRA 2022 publication, if funds allow.

The Secretariat will try to continue organising the translation of documents and the interpretation in English and Russian of all meetings of the Conference and its subsidiary bodies. Nevertheless, given (i) the number of meeting days, (ii) the number of documents being translated, and (iii) the budget planned by the Secretariat, it should be envisaged to limit the translation of documents and/or the interpretation of meetings. The mandate on the modernisation of the ECT ([CCDEC2019 10](#), point g) expressly requests that “*negotiation*

<sup>20</sup> Invited experts are delegates from member countries who receive financial assistance from the Secretariat for their participation in the meetings of the Conference and its subsidiary bodies in line with Instruction 29 of the Financial Rules and their Implementing Instructions and Message 1766/21 for the latest information on Financial Assistance to Invited Experts.

<sup>21</sup> Up to 2020, the Secretariat could accept to reimburse travel expenses of up to 2 delegates per eligible member country and 1 delegate of some observer countries, depending of the availability of funds.

<sup>22</sup> As of the date of this document, already 32 days of meetings are scheduled in 2021.

meetings will take place (and negotiation drafts will be provided) in both English and Russian.” At 31 August 2021, the budget for translations and interpretation has been used at more than 85%, and given the number of meetings already planned in the second half of 2021, the Secretariat forecasts important over-spending in this item in 2021.

In order to further reduce the costs in budget item “4 Meetings and Events”, the rules for the reimbursement of Invited Expert and/or Speakers could be reviewed (eligibility, per diems, ceilings, etc.), and the translation of documents and interpretation of meetings of some subsidiary groups could be stopped. Organising nearly all meetings by video-conference would also limit drastically the costs (no room rental, no invited experts, no speakers, etc.).

## 5 Representation

*All figures in Euros*

<b>5 Representation</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<i>5.1 Translations and Interpretations</i>		0	0
<i>5.2 Other Meetings and Events</i>	5 000	2 000	2 000
<b>Subtotal Representation</b>	<b>5 000</b>	<b>2 000</b>	<b>2 000</b>

The budget for representation expenses has been sharply reduced to accommodate for the big increase in budget items “1 Salaries and Allowances”, “2 Benefits and Grants” and “7 Capital Expenditure”.

## 6 Operating Expenditure

*All figures in Euros*

<b>6 Operating Expenditure</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>6.1 Office Space</b>	<b>276 000</b>	<b>280 000</b>	<b>280 000</b>
6.1.1 Office Space Rental	144 000		
6.1.2 Office Space Charges, Taxes	132 000		
<b>6.2 Communications</b>	<b>42 000</b>	<b>64 000</b>	<b>64 000</b>
6.2.1 Postage and Courier	10 000		
6.2.2 Telephone	18 800		
6.2.3 Internet Services	13 200		
6.2.4 Other			
<b>6.3 Office Supplies</b>	<b>40 000</b>	<b>23 000</b>	<b>23 000</b>
<b>6.4 Library</b>	<b>12 000</b>	<b>20 000</b>	<b>20 000</b>
<b>6.5 Publications</b>	<b>20 000</b>	<b>15 000</b>	<b>15 000</b>
<b>6.6 Consultants</b>	<b>115 000</b>	<b>43 500</b>	<b>42 500</b>
6.6.1 Consultancy Fees			
6.6.2 Travel Expenses			
6.6.3 Other			
<b>6.7 External Auditors</b>	<b>19 000</b>	<b>19 000</b>	<b>20 000</b>
<b>6.8 Fees to Int. Organisations</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>

<b>6 Operating Expenditure</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>6.9 Subscription to specific Services</b>	<b>1 000</b>	<b>3 500</b>	<b>3 500</b>
<b>6.10 Financial Services<sup>23</sup></b>		<b>20 000</b>	<b>20 000</b>
<b>6.11 Other</b>		<b>5 000</b>	<b>5 000</b>
<b>Subtotal Operating Expenditure</b>	<b>533 000</b>	<b>501 000</b>	<b>501 000</b>

In general terms, the budget item “6 Operating expenditure” has been reviewed to accommodate for efficient operations of the Secretariat taking into account all services needed for its activities.

The amount in budget item “6.2 Communications” gives the impression that the costs of communications have been substantially increased. This budget item now includes the costs of video-communication (Zoom on premises) which were included in “4 Meetings” in the budget years 2020 and 2021, financed by the non-rental of premises for the meetings of the Conference and its Subsidiary Groups which were held by video-conference.

The amount of budget item “6.3 Office Supplies” has been slightly reduced due to the transfer of the depreciation of the multi-function copiers to budget item “7 Capital Expenditure” and the limited use of office supplies in 2020 and 2021 due to teleworking. It might be necessary to review this budget item depending on working conditions in 2022-2023.

The amount of the budget item “6.4 Library” has been increased to accommodate for the payment of annual fees (EUR 9 000) to access a database on cross border investments, ORBIS.

The budget item “6.6 Consultants” has been sharply reduced to:

- transfer costs previously included in this item to the newly updated or created items “1.2.4 Internships”, “1.2.5 Fellowships”, “4.4 Other meetings and Events”, “6.9 Subscription to specific Services” and “6.10 Financial Services<sup>24,23</sup>”;
- accommodate for the big increase in budget items “1 Salaries and Allowances”, “2 Benefits and Grants” and “7 Capital Expenditure”.

The financial income, estimated at EUR 1 000, generated by the financial operations of the Secretariat (interests received, profit on currency exchange, etc.) will be used to (partly) cover the costs included in “6.10 Financial Services”<sup>25</sup>.

Significant reduction of costs in budget item “6 Operating expenditure” is rather limited and could only be achieved by reducing the size of the premises, reducing the office space rental and charges. Only minor savings could be done in other budget items (unless stopping the video-conferencing system, which would then increase the costs in item “4 Meetings and External Events”).

<sup>23</sup> See document BC 394 rev – Negative Interests Rates

<sup>24</sup> See footnote 23

<sup>25</sup> See Budget Part II, Financial Result, page 19.

## 7 Capital Expenditure

*All figures in Euros*

<b>7 Capital Expenditure</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
7.1 Furniture	7 000	5 000	5 000
7.2 IT Equipment and Software	50 000	68 840	68 840
7.3 Other <sup>26</sup>		41 500	41 500
<b>Subtotal Capital Expenditure</b>	<b>57 000</b>	<b>115 340</b>	<b>115 340</b>

Capital expenditure contains all expenses related to the purchase of furniture, equipment and leasehold improvements and their amortisation/depreciation. These budget items are directly impacted by the conversion of the Secretariat accounts to IPSAS standards made in 2020: all furniture, equipment and leasehold improvements are capitalised and amortised/depreciated depending on their nature on the following periods:

- 10 years for furniture;
- 6 years for transport assets;
- 4 years for equipment;
- Until the end of the lease contract for leasehold improvements.

For example, a piece of furniture bought in 2015 will still have an impact on the budget until 2024 and the refurbishment done for the current offices will have an impact on the budget until the end of the lease contract in 2025. As of the date of this document, depreciation on purchased assets will take place until the budget 2030 included (furniture bought in 2021).

For the years 2022 and 2023, the Secretariat already needs to account for depreciation of assets bought before 1 October 2021:

- furniture for an amount of EUR 2 162 in 2022 and 2023;
- IT Equipment for an amount of EUR 7 348 in 2022 and EUR 5 325 in 2023;
- copiers equipment for an amount of EUR 1 581 in 2022 and EUR 0 in 2023;
- the service car for amount of EUR 6 336 in 2022 and 2023;
- the leasehold improvements (the works done to settle the current premises of the Secretariat in 2017) for an amount of EUR 35 110 in 2022 and 2023;

These costs do not take into account the depreciation of new equipment purchased after 1 October 2021 up to 31 December 2022 for the financial year 2022 and 31 December 2023 for the financial year 2023.

The costs of cloud services and website hosting have also been included in budget item “7.2 IT Equipment and Software” although they are not capital expenditure but operating expenditure (the Secretariat did not find any relevant budget sub-item to include them in “6 Operating Expenditure” and is ready to follow the advise of the Budget Committee on the matter).

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<sup>26</sup> Includes the amortisation/depreciation of the leasehold improvements (EUR 35 110) and service car (EUR 6 336), i.e. a total amortisation/depreciation of EUR 41 446.



## 8 Miscellaneous

All figures in Euros

8 Miscellaneous	2021	2022	2023
8.1 Unforeseen Activities	460	460	460
8.2 ILO AT costs		0	0
8.3 Other		0	0
<b>Subtotal Miscellaneous</b>	<b>460</b>	<b>460</b>	<b>460</b>

### Commitment Authority under Budget Part I

The issuance of employment contracts and their renewals are not considered as falling under the rules on Commitment Authority as included in articles 7(3)(a)(iii) and 11 of the Financial Rules. These contracts are issued for an initial duration of:

- maximum 1 year for Temporary Officials, to terminate at the latest the last day of the approved budget (thus, the commitment authority does not apply) and are renewable by further periods of no more than one year;
- 5 years for the Secretary General with potential renewal of no more than 5 years, in line with [Procedural Rule XII](#) (Rules for Appointment of Secretary General);
- 4 years for the Deputy Secretary General with a potential renewal of no more than 4 years, in line with [Procedural Rule XIII](#) (Rules for Appointment of Deputy Secretary General);
- 3 years for all officials under the Establishment Table and are renewed by further periods of 1 (A-Grades) or 2 years (B and C-Grades) in line with [Staff Rule 10.1](#) (duration of appointment) of the Staff Regulations and Rules.

All these contracts are governed by the Staff Regulations and Rules (with some exceptions for the Secretary General and the Deputy Secretary General).

The switch of the Secretariat's accounts to IPSAS standards include:

- **Provisions for post-employment benefits:** when offering an employment contract, the Secretariat shall already plan for the departure of the official and potential payments to be made at the end of his/her employment contract (terminal allowance, removal, travel costs). The costs involved are not considered by the Secretariat as falling under the rules on Commitment Authority.
- **Capitalisation and depreciation/amortisation of assets** (4, 6, 9 or 10 years) which can be seen as a multi-annual commitment authority. For example, the purchase of IT equipment during year 1, will lead to the capitalisation of that asset during year 1 and its depreciation during years 1, 2, 3 and 4. The Secretariat considers that the capitalisation/depreciation of assets should not fall under the rules on Commitment Authority even though they have an impact on budgets beyond the approved budget(s). Nevertheless, these depreciations could be included in a summary table per type of assets (as mentioned in "7 Capital Expenditure" above).

The Secretariat does not plan to enter in any other contractual obligations than the ones mentioned above in 2022.

**DRAFT BUDGET 2022-2023**  
**BUDGET PART II**

Budget Part II is financed by draws from the General Reserve Fund for specific purposes, voluntary contributions, subsidies, gifts, legacies or miscellaneous income.

*All figures in Euros*

<b>Budget Part II</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<i>10 Voluntary Contributions</i>	35 248	21 660	-
<i>11 Other Resources – Financial Income</i>		1 000	1 000
<i>12 Other Resources – Legal Affairs</i>	19 725	22 580	-
<i>13 Other Resources – Knowledge Centre</i>	11 984	11 984	-
<b>Total Budget Part II</b>	<b>174 637</b>	<b>57 224</b>	<b>1 000</b>

**Explanatory Notes**

As of the date of this document:

- A voluntary contribution of USD 25 000 has been offered by the Islamic Development Bank for 2022 for the development of 5 EIRA regular country profiles;
- No voluntary contribution has been offered for 2023;
- No subsidies, gifts or legacies are anticipated for 2022 or 2023.

**Voluntary Contributions (new)**

The Secretariat received an offer for a voluntary contribution of USD 25 000 (evaluated at EUR 21 660) from the Islamic Development Bank<sup>27</sup> for the development of 5 EIRA regular country profiles to be included in #EIRA2022.

*All amounts in Euros*

<b>Voluntary Contributions – Islamic Development Bank</b>	<b>2022</b>	<b>2023</b>
<i>6 Operating Expenditure</i>	21 660	-
<b>Total</b>	<b>21 660</b>	<b>-</b>

**Voluntary Contributions (at hand)**

In the past, the Secretariat received several Voluntary Contributions which have not been fully used. For 2021, the following funds were available:

*All figures in Euros*

<b>Voluntary Contributions</b>	<b>Amount</b>
<i>Poland (2016) – Beijing Research Centre</i>	4 516
<i>Nigeria (2019) – Nigeria related activities</i>	30 732
<b>Total</b>	<b>35 248</b>

If not fully used in 2021, the remaining amounts would then be added to Budget Part II in 2022.

<sup>27</sup> For more information, see document BC 402

### ***Other Resources***

The Secretariat holds two Working Capital Funds to accommodate for the management of the Knowledge Centre (trainings) and Legal Affairs activities (trainings, conferences).

*All figures in Euros*

<b><i>Working Capital Funds</i></b>	<b><i>Amount</i></b>
<i>Knowledge Centre</i>	<i>11 984</i>
<i>Legal Affairs</i>	<i>22 580</i>
<b><i>Total</i></b>	<b><i>34 564</i></b>

Since the Secretariat does not plan to use these amounts in 2021 (no training planned in 2021), they will be available for the budget 2022.

### ***Financial Result***

The Secretariat also receives income of a financial nature which appears in the Financial Statements under Budget Part II, Financial Result (until 2019). It consists of interests received (banks, loans granted to Staff), profit on currency exchange transactions, etc. and has been estimated at EUR 1 000.

At the same time, the Secretariat has to pay charges, interests and/or fees to its bank for its daily operations. The Secretariat will be using the financial income to cover (part of) the financial costs included in budget item “6.10 Financial Services”.

### ***Voluntary Contributions in kind***

In 2021, the Secretariat benefited from 2 voluntary contributions in kind. These contributions do not appear in the budget since they are not of a financial nature, thus have no direct financial costs for the Secretariat. Nevertheless, they appear in the programme of work:

- **Gambia**<sup>28</sup>: a staff-on-loan whose contract ended 31 May 2021 to work on energy cooperation in West Africa, The Gambia EIRA extended profile and the model instrument for the management of investment disputes for The Gambia (all costs paid by The Gambia).
- **ECOWAS**<sup>29</sup>: cooperation between the Secretariat and ECOWAS countries. The cooperation consists mainly in the secondment of ECOWAS countries’ officials to the Secretariat, the organisation of missions of ECS Officials to ECOWAS countries and the organisation of ECOWAS countries’ officials to events organised by the Secretariat, including the Energy Charter Conference (all costs paid by ECOWAS through their implementing

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<sup>28</sup> See Message 1666/20 – Notification of the acceptance of a Staff on Loan from The Gambia

<sup>29</sup> See documents

BC 332rev Collaboration with ECOWAS: implications for the programme of work and budget  
CC 647 Approval of the acceptance of a voluntary contribution from ECOWAS by the Secretary General  
BC 342 Update on the implementation phase on the Collaboration with ECOWAS  
CC 680 Extension of the implementation period of the voluntary contribution in kind from ECOWAS

company NTU International A/S). Such cooperation is scheduled until 30 September 2021.

For 2022, it is anticipated that only the collaboration with ECOWAS might be extended given the postponement of many activities due to the Covid-19 pandemic.

No other Voluntary Contribution in kind is expected.

### **Commitment Authority under Budget Part II**

At this time, the Secretariat does not plan to enter in any contractual obligation necessitating a commitment authority under Budget Part II.